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**IMPACT OF THE CHILD CARE AND  
DEVELOPMENT BLOCK GRANT  
on the  
Montana Child Care System  
1990-1996**

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**A report prepared by the Montana Early Childhood Project  
January 1997**

## **ACKNOWLEDGMENTS**

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## **IMPACT OF THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ON THE MONTANA CHILD CARE SYSTEM 1990-1996**

**January 1997**

The experience of growing up in Montana is very different today than it was just a generation ago. Sweeping social and economic changes fundamentally altered the form of many families. These changes are felt in nearly every sector of our society, but nowhere more significantly than in the need for child care. Since 1990 Montana has had the opportunity through the Child Care and Development Block Grant (CCDBG) to design a child care delivery system that assures working parents access to and assistance in arranging care for their children. The CCDBG allowed the development and expansion of the Child Care Resource and Referral Network (CCR&R), provided financial support to parents, grants to providers to improve program quality, specialized training grants to make training more accessible and merit pay awards. Thanks to the CCDBG Montana has made tremendous progress toward building a more effective child care system. The following is a summary of the major impacts of the CCDBG on children, families, providers, programs, and communities:

- 1) **Increased assistance for helping families pay for child care:** In FY96 alone, 874 families received CCDBG help in paying for child care. It is estimated that more than 4,000 Montana families were helped to pay for child care from 1990-96;
- 2) **Increased consumer education** about quality child care resulted in more than 28,500 requests for information and assistance responded to by R & R's in 1995 alone;
- 3) **Significant increases in the number of spaces in registered and licensed child care programs** - growing from 9,389 in 1987 to 23,410 in 1995;
- 4) **Significant increases in orientation and training participation by providers** sponsored by CCR&Rs from 1,329 in 1991 to 6,123 in 1995;
- 5) **Child care providers received over \$2,315,758 in grants to improve program quality** while agreeing to provide **child care scholarships for low-income families**;
- 6) **Providers were assisted with training costs:** 480 child care providers received \$250 Merit Pay Awards to help pay for the cost of participating in 60 hours of approved training. The training goes beyond what is required for licensing/registration;

- 7) **Training was made more available:** 76 programs or agencies received Specialized Training Grants to provide training in all areas of Montana. The \$108,250 CCDBG funds invested in 1995-96 resulted in more than \$300,000 worth of training resources when direct match or in-kind funds are included;
- 8) **Improved data collection and management:** implemented the Montana Automated Child Care System (MACCS) with accurate and timely provider payments. Data is now collected to help in future decision making and planning to better meet the needs of Montana's children and families;
- 9) **Increased child care payment rates** based on market rates offered a higher level of compensation for providers, **encouraged more providers to become regulated and expanded child care options** for families on child care assistance;
- 10) **Conducted a major review of child care regulations** as mandated by CCDBG. Due to a reorganization of the DPHHS, departmental priorities, legal issues and questions about the review process, progress on implementation of recommendations from the review has continually been delayed;
- 11) With \$75,000 of CCDBG funds, launched "What Every Child Needs," a statewide public awareness campaign on the importance of the early years. Of those funds, \$12,000 generated more than \$141,754 of dollars in on-air time for public service messages and programs;
- 12) **Produced a *Montana Early Care and Education Career Development Plan*** in FY95 with a \$23,000 CCDBG investment and an additional \$7,800 for Year Two activities with a FY96 Specialized Training Grant;
- 13) **Implemented two statewide telecommunications home-study training programs** reaching over 700 practitioners, parents and others with a \$20,995 investment;
- 14) **Supported 12 Child Care Resource & Referral trainers** to become facilitators for *The Program for Infant/Toddler Caregivers* by the Northwest Regional Education Laboratory;
- 15) **Provided an impetus for the creation of a new Early Childhood Services Unit** in 1996 as part of a major reorganization of health and human services in the state;
- 16) **Montana demonstrated the effective and creative use of the CCDBG funds** by convening the CCDBG Task Force to guide administration of the monies **working together** to build an improved child care system.

## **RECOMMENDATIONS ON USE OF CHILD CARE DEVELOPMENT FUND**

In reviewing the impact of the CCDBG over the past five years, clearly many changes have occurred as a result of the wise use of these funds. Montana has also taken steps toward improving early care and education training and career development with the new Early Care and Education Career Development Plan to help guide future efforts to support training coordination. Montana has made tremendous progress toward designing a more comprehensive child care system, particularly with the creation of the new Early Childhood Services Unit within DPHHS, modeling interagency collaboration. Based on an analysis of the impact of the CCDBG highlighted throughout this report, the following recommendations are made to guide DPHHS and state policy makers on the use of the new Child Care and Development Fund:

- 1) Continue to assure monitoring of child care programs and enforcement of Montana child care regulations to protect the well being of children. Continue to fund five Family Resource Specialists from administrative dollars, specifically for child care regulation, not other licensing functions. It is recommended an additional five FTE be supported from the state general fund or through a combination of state and federal dollars, bringing the total Family Resource Specialists specifically for child care licensing to 15.
- 2) Continue and expand efforts to strengthen child care regulations to ensure the well-being and safety of Montana's children. Complete the "Twelve Month Study" recommendations.
- 3) The CCDF requires "equal access" to child care services for parents receiving assistance. Montana should continue to mandate minimum payment at the 75th percentile of market rates. In addition, DPHHS and advisory groups should study other strategies for providing higher compensation reflective of provider training, program quality, and/or community market rates.
- 4) Continue to provide a continuum of child care subsidies, paying full cost for the lowest income families with a sliding fee scale to serve the working poor through one seamless program.
- 5) To help assure successful implementation of welfare reform, fully fund Montana Child Care Resource and Referral Network for all functions they perform including: coordination of child care payment assistance programs; orientation and training for child care providers; parent education; referrals about choosing quality child care; and community development of child care availability, accessibility and quality.



- 6) Provide ongoing funding as mandated by the CCDF to support consumer education and public awareness about the importance of the early years and quality care and education for all children.
- 7) Guarantee a minimum of eight percent (8%) be set aside in the new CCDF to support continued efforts to strengthen quality in early childhood programs.
- 8) Implement recommendations from the Montana Early Care and Education Career Development Plan to assist the state in monitoring the use of training resources; provide coordination for career development activities statewide; and develop future high quality training (including telecommunication models) to assure access for early childhood practitioners.
- 9) Maintain Merit Pay Awards to child care providers to continue to promote quality training and career development. Reevaluate Specialized Training Grants to assure they reflect identified training needs and support the Career Development Plan.
- 10) Provide ongoing training and technical assistance to CCR&Rs and state staff to maximize effective use of the technology available through MACCS and other programs.
- 11) Establish methods for accurate monitoring, reporting, and analysis of use of the CCDF funds by DPHHS and the Child Care Advisory Council, using additional administrative funds as appropriate.
- 12) DPHHS is to be commended on the limited use of administrative funds. However, additional funds may be needed to strengthen and support the DPHHS Early Childhood Services Unit by providing ongoing training in early childhood and clarifying roles and responsibilities and administrative structure in state and local relationships.
- 13) DPHHS is to be commended for convening advisory groups and listening to the recommendations from providers, advocates, parents, agencies, businesses and others concerned about improving the child care system. The newly created Child Care Advisory Council can continue to assist policy makers to allocate, monitor and evaluate the use of the new Child Care Development Fund to assure positive outcomes for children.

## **I. INTRODUCTION TO THE REPORT**

This report is intended to provide an overview of the activities funded by the Child Care and Development Block Grant (CCDBG) and to assess the impact of these activities on the child care system in Montana from 1990 through 1996. Within the confines of the federal Child Care and Development Block Grant regulations, Montana was able to determine its own goals and priorities for the fund within the guidelines provided in the regulations. The Montana Department of Public Health and Human Services \* worked with early care and education practitioners and advocates to utilize these funds to build a cohesive child care system through the Child Care and Development Block Grant Task Force and the Governor's Child Care Advisory Council. In addition to assessing the impact of the CCDBG on the child care system, this report makes recommendations for use of the new Child Care and Development Fund which accompanied the implementation of welfare reform in 1996.

The CCDBG was divided into two categories of available funding. It was mandated that seventy-five percent (75%) of the funds were to be used to provide direct services and for activities to improve the quality and availability of child care. Twenty-five percent (25%) of the funds were reserved for quality improvements including establishing, expanding, and/or conducting early childhood development programs and before and after school services. Funds could also be used for operating or funding the development of child care resource and referral programs, making grants or loans available to providers and improving monitoring and enforcement of child care standards. Other uses of the 25% funds allowed Montana to offer training and technical assistance to child care providers and improve compensation for child care providers by increasing child care payment rates. The last year of CCDBG funding is federal FY1997. This report covers the period federal fiscal years 1990-1996. Final data for FY 1997 is not yet available, but has been included where possible.

*\* In 1995 Montana embarked on a major reorganization of health and human service programs, combining three formerly separate departments into one Department of Public Health and Human Services (DPHHS). For purposes of this report, DPHHS will be referred to as the lead agency for the CCDBG for the entire report, even though this change did not occur until 1995.*

The Executive Summary and Recommendations provide an overview of the major impacts, followed by recommendations on the use of the new Child Care Development Fund. This report also explores a brief history and overview of the CCDBG and a review of the child care trilemma in Montana. Section IV: *How the CCDBG Funds Were Used*, provides a detailed look at the variety of ways Montana chose to invest the CCDBG. The final section contains an overview of the five years of funding and a sample yearly budget.

Information for this report was obtained from a wide variety of sources including the Montana Department of Public Health and Human Services (formerly the Departments of Family Services and Social and Rehabilitation Services); the Montana Legislative Services Division report for the Joint Oversight Committee on Children and Families; Montana Child Care Resource and Referral Network Annual Reports; Montana Early Childhood Project reports and other publications cited in the endnotes. A list of definitions can be found in Appendix A.

In October 1996 federally funded child care programs came to Montana in a new block grant called the Child Care and Development Fund. The Fund replaces Title IV-A, Tribal JOBS, JOBS, Self-Initiated, Transitional and At-Risk Child Care Program. The CCDBG remains in effect under CCDF until 1997. Prior to this change, the IV-A programs required Montana to pay child care providers at the 75th percentile of the market rate of the actual cost of care or the statewide limit. Due to funding restrictions on the latter two choices, Montana has used the requirement of 75th percentile based on a market rate survey conducted every two years since 1990. The new Fund does away with these requirements; however, it requires that the state pay enough to ensure that families serviced by the Fund have "equal access" to the same child care providers as families not served by the Fund. As stated by Linda Fillinger, DPHHS staff, "It will be a challenge for state child care staff and advocates to strike an acceptable balance between quality, affordability, and accessibility." The recommendations contained in the Executive Summary are provided to support state efforts to utilize the new fund to continue efforts begun by the CCDBG.

## **Challenges in Preparing the Report**

A number of challenge entered into collecting and interpreting data for this report. The implementation of the CCDBG was delayed initially due to the need to develop policy and procedures to guide this new program. Unused funds were carried over into subsequent years, with the federal government allowing three years to commit the funding after it was received. Collecting the information for this report was made more challenging by the lack of accurate data available from the first years of the grant. One major accomplishment was the implementation of the Montana Automated Child Care System (MACCS) which occurred partially with CCDBG funds. Prior to the implementation of MACCS, data was often sketchy or incomplete. With the development of the statewide Child Care Resource and Referral Network (CCR&R) and the implementation of MACCS, major improvements were seen in data collection and reporting. It is important to note however, that MACCS only tracks families and expenditures for the sliding fee scale program, not the entire budget of CCDBG. This complicates simple reporting. At this writing, there are a number of enhancements and reports waiting to be added to the computer system. Although the improvement is welcome, it is difficult to transfer or compare data collected prior to the implementation of the MACCS to the data available subsequently. An effort was made to be as accurate as possible in reporting expenditures, but early data reports and ways in which families are counted for services made it impossible to balance each line item. Notations indicate where this occurred. It should be noted in the past year, significant improvements have occurred in tracking CCDBG funds.

A further complication in reporting is that the CCDBG follows the federal fiscal year which begins October 1 in the previous calendar year. For example, FY 1995 begins October 1, 1994. However, the state of Montana operates on a fiscal year beginning July 1st. Therefore, Montana's FY 1994 begins on July 1, 1993 and largely overlaps the federal FY 1994. When state and federal reports are compared it is difficult to compare exact data or provide accurate reports. Again, improvements in data collection and reporting seen in the past few years will help improve future reporting.

## **II. HISTORY AND OVERVIEW OF THE CHILD CARE AND DEVELOPMENT BLOCK GRANT**

In 1990, the United States Congress passed the Child Care and Development Block Grant (and the Title IV-A At-Risk Programs) to assist families with child care needs. With the help of advocacy groups, such as the Montana Alliance for Better Child Care, the Montana Child Care Association, the Montana Association for the Education of Young Children, the Montana's Children Alliance, the Montana Women's Lobby, and the Montana Early Childhood Project, the Montana Department of Public Health and Human Services (then Department of Family Services) applied to participate in the federal program and serve as the lead agency.

Activities undertaken included strengthening child care administrative functions by hiring a Child Care Program Officer to administer the grant, reviewing child care regulations, and charging the Governor's Child Care Advisory Council with developing a state plan to improve child care services. In addition, CCDBG dollars were matched with Title IV-A funds to develop the Montana Automated Child Care System (MACCS), which interfaces with other computer systems to track providers and families and process child care payments in a more coordinated system.

A Task Force was established to advise DPHHS in administering the funds. The CCDBG Task Force membership included child care providers, resource and referral programs, low income representation, higher education, business interests, tribal affiliation, Family Services Advisory Council members, Head Start and the Child Development Associate (CDA) program. The group adopted formal rules of consensus and developed recommendations to DPHHS staff on administering the CCDBG through regular meetings. While 75% of the grant was appropriated for specific direct services by federal regulations, the CCDBG Task Force focused primarily on making recommendations on the use of the 25% quality set-aside funds. Addressing the issues of quality, affordability and availability, Montana allocated both 75% and 25% CCDBG funding to accomplish the following:

- *Develop a State Child Care Plan by the Governor's Child Care Advisory Council;*
- *Hire five Family Resource Specialists to license and monitor child care programs;*
- *Expand the Child Care Resource & Referral Network;*
- *Improve the quality of child care programs by providing grants to providers to improve facilities;*
- *Provide funds to programs with infants, children with disabilities, and to serve children in communities of need;*
- *Meet state requirements for licensing and registration;*
- *Increase training opportunities for child care providers through Specialized Training Grants and Merit Pay Awards;*
- *Increase the availability of child care by providing funds to providers to increase capacity, expand services, and offer scholarships to pay for care;*
- *Establish the CCDBG child care sliding fee scale to assist the working poor with the cost of child care;*

Noted for its innovative programs, Montana was selected by the United States Department of Public Health and Human Services, Child Care Division as a model for improving child care in rural areas. The 1994 report, *Improving Child Care in Rural Areas: Promising Practices and Strategies*, lists three of Montana's initiatives as models for other states: 1) expanding the Child Care Resource and Referral Network (CCR&R) into a statewide system and hiring a coordinator; 2) the new grants program established to expand child care businesses; and 3) the specialized training grants and merit pay award for providers who obtain early childhood training.<sup>1</sup>

### **III. THE CHILD CARE TRILEMMA: BALANCING AVAILABILITY, AFFORDABILITY, AND QUALITY**

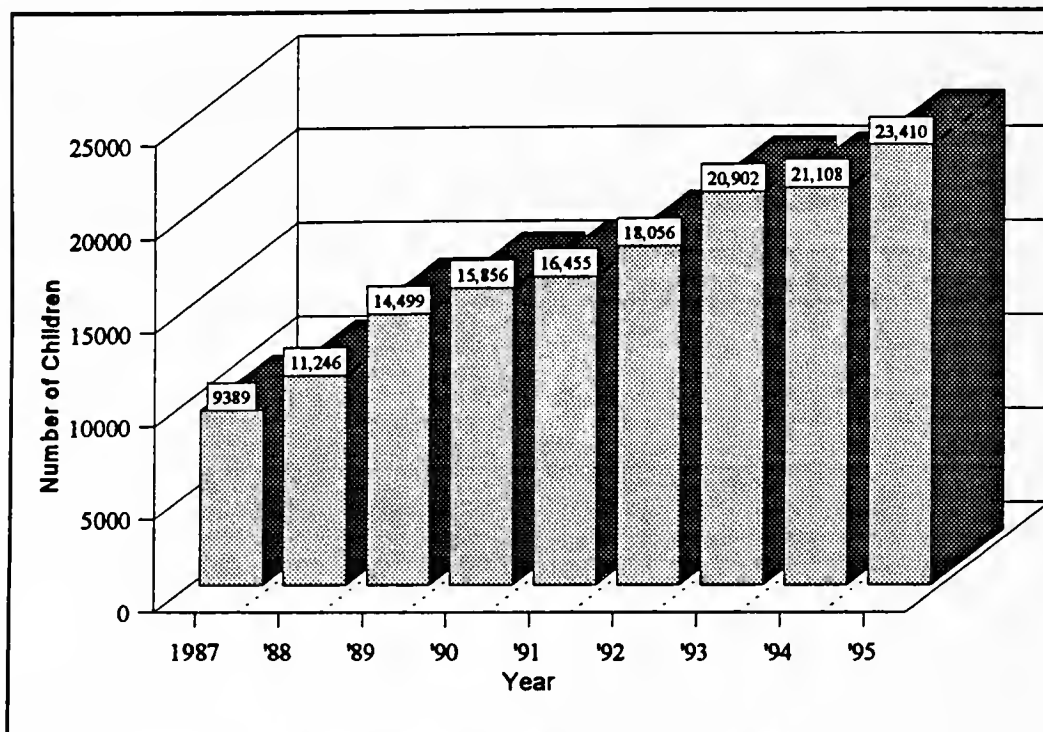
#### **A. Availability**

All working families need child care. All children in child care need security, a nurturing and healthy environment, and the opportunity to develop emotionally, cognitively, socially, and physically. According to 1990 census data, there were 42,960 families with one or more children under 6 years old in Montana. There were about 70,000 children under 6 years old. Of the 48,449 mothers 16 years or older with one or more children under 6 years old; 58% of them are currently in the work force.

The demand for registered and licensed child care rises every year. From 1987 to 1995, child care programs increased capacity by more than 250 percent.<sup>3</sup> Families Achieving Independence in Montana (FAIM), Montana's welfare reform initiative, will increase the demand for child care as more families enter the work force. Based on the success of the CCR&R program, Montana allocated CCDBG funds to help expand child care resource and referral services to 12 agencies serving all of Montana in 1992. As a result, the Montana Child Care Resource and Referral (CCR&R) Network was formed and a coordinator hired to provide leadership.

In 1990 Montana could serve only 15,856 children in regulated facilities. By 1992, Montana child care program capacity had increased to serve an additional 2200 children. According to census data 49% of Montana's children were still left without access to regulated services. By 1995, child care programs offered services to 23,410 children, but still were only able to serve 66% of children needing care.<sup>4</sup> Table I provides an overview in the growth of spaces available in regulated child care facilities, which includes registered family and group homes and licensed child care centers.

**TABLE I**  
**Number of Spaces in Montana in Regulated Child Care Facilities**  
**1987-1995**



Source: Montana Child Care Resource and Referral Network 1995 Annual Report

In addition to state regulated facilities, parents may choose a provider caring for fewer than three children. These providers are operating legally and numbered about 840 who were receiving state payments in 1996. Until the implementation of MACCS, data on these providers was unavailable. In addition, there is continual turnover and changes in these informal arrangements.

## **B. Affordability**

According to recent estimates, child care is the fourth largest household expense after shelter, food, and taxes. The annual cost for one child in full-time day care at a child care center is \$3,862 (2,060 hours/8 hours/day x \$15.00 a day). For families with an income of less than \$15,000 per



year, child care expenses for one child can consume about 24% of the family's annual income and can make it economically impossible for the single parent to work, pay child care expenses, and have enough money left over for the other essentials such as housing, food, and clothing.<sup>5</sup> Table II provides a look at the mean income for Montana families with children under 18 years old and the percent of personal income which might be spent on child care.

**TABLE II**  
**Percent of Family Income Spent on Child Care in Montana**

	Mean income for families w/children under 18	# of families	% to child care
Married couples	\$37,127	86,022	10%
Male single parent	\$21,120	4,845	18%
Female single parent	\$12,634	17,290	30%

Source: 1990 Census Data

### C. Quality Child Care

Children benefit from consistent, age-appropriate care and warm, trustful relationships with caregivers. Research shows that good child care has positive effects on children; low quality child care is harmful to them. Some of the characteristics associated with positive effects are:

- Group size is important. The size of a group significantly effects children's behavior, teachers' behavior and test scores. Small groups work best.
- Staff/child ratios were very important for infant care, and somewhat important for center care, though less so than group size.
- Training of caregivers is important for both centers and family child care. Lack of specialized training not only fails to have positive effects, it is even a cause for some concern about negative effects.
- Work experience alone without training has no positive effects.
- Child-initiated activities are important to quality and are significantly associated with positive social outcomes.

- Teachers who spend a high percentage of time in managing and directing children have negative outcomes.
- Intentionality of the caregiver (i.e. choosing to work with children as a priority) is associated with positive outcomes in family child care.
- Continuity of relationships is important. Continuity can be disrupted by government eligibility policies and by staff turnover. One study found indications that high caregiver turnover was associated with a sudden decline in IQ scores.
- The design of the environment is important. Programs designed to facilitate small-group activity are associated with positive outcomes; large undivided spaces are associated with negative outcomes.
- A shared relationship with parents is essential to positive outcomes.
- Representational play has been found to be important worldwide in human development. Programs should not deprive children of the right to play.
- The “match” of program to child needs is important.
- Parents, when asked about quality, stress the need for safety, health procedures that diminish the spread of disease, experienced staff and caregivers who show affection and responsiveness to their children.
- Licensed programs rate higher than non-licensed ones.
- Family child care providers who are members of associations provide higher quality care.<sup>6</sup>

Finally, and most fundamentally, the quality of child care directly affects a child's development and the success, or failure, of that child in future life. The children being raised in child care settings are the next generation of America's parents, leaders, welfare recipients, or prison inmates. Having children in child care can be an opportunity or a problem. Lack of quality care can undermine a child's healthy development and create future problems.<sup>7</sup> Quality child care can strengthen and facilitate healthy early childhood development. The CCDBG included a 25% quality set-aside which allowed Montana to implement a variety of quality improvement activities. The new Child Care and Development Fund provides a minimum 4% quality set-aside. Policy

makers should be encouraged to set-aside at least 8% from these new funds to continue to support quality improvements.

#### IV. HOW THE CCDBG FUNDS WERE USED

##### A. Help Families Pay for Child Care

According to the 1990 census 24% of the children under six years old were in families with incomes below the federal poverty levels. Table III gives more information about these families and is based on the 1989 average poverty level for a family of four, which was \$12,674. It is important to note that 69% of the single female head of household families lived below the poverty level.

**TABLE III**  
**Percent of Montana Children in Poverty**

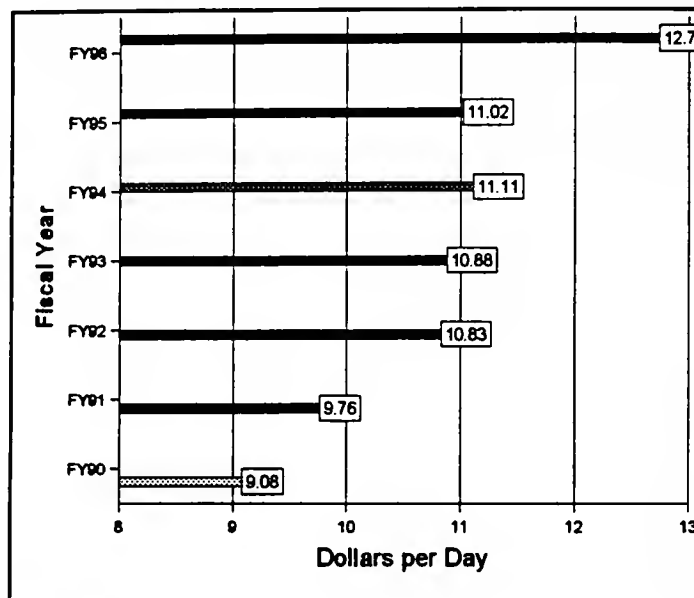
<b>Family Type</b>	<b># of children &gt; 6 years old</b>	<b>% of children &gt;6 years old with family income &gt; federal poverty level</b>
<b>Family with a married couple</b>	56,835	15% (8,675)
<b>Family with single male head of household</b>	2,404	41% (991)
<b>Family with single female head of household</b>	10,462	69% (7,229)

\*Source: U.S. Bureau of the Census, processed by the Census & Economic Information Center of the Montana Department of Commerce. Taken from 1990 census data report, Profile 126, Poverty status in 1989 by family type and age of children.

As a low wage state, Montana chose to use CCDBG funds to help the working poor afford access to quality child care. A sliding fee scale serving families with incomes below 133% of poverty level was implemented. Families access this assistance through the local child care resource and referral agency. Families with the lower incomes were served by Aid to Families with Dependent Children (AFDC) under the sliding fee scale. The At-Risk Child Care program (ARCC), another sliding fee scale program, had the same income levels as the Block Grant sliding fee scale. The idea of ARCC was to first serve those moving from the Transitional Child Care (TCC) program.

The cost of child care continues to rise. Table IV shows the increase in the average cost of child care per day between 1990-1996. The CCDBG and the sliding fee scale helped working families meet these rising costs over the six year period.

**TABLE IV**  
**Montana Day Care Costs**  
**Average Cost in Dollars Per Day 1990-1996**



Source: DPHHS

Approximately \$1,764,066 (FY95) of the CCDBG was used to help families pay for child care. Most of the CCDBG fund was distributed to families seeking assistance for child care and qualifying on a sliding fee scale based on household income. Families apply for child care assistance at the district CCR&R agency by providing income information and employment and/or school information. Parents must be working a minimum of 15 hours per week. Eligibility and co-payments are determined on a sliding fee scale (Appendix B).

The CCR&R enters family information into the Montana Automated Child Care System to determine eligibility for child care assistance. Typically, families end up on a waiting list. Factors

determining their status on the waiting list include family size, income, type of employment (commission or wage), and status with other assistance programs. Once assistance becomes available, parents select a registered, licensed or legally operating child care provider. Assuming the parents have supplied all the necessary information the CCR&R, with the help of MACCS, can authorize assistance immediately. Families are recertified for assistance every three months as long as they remain eligible.

If the family has entered the public assistance system through another avenue, such as the welfare office, the Montana Automated Child Care System identifies the family's involvement with other assistance programs. Information entered at another entry point, such as the welfare office, is contained in the MACCS. MACCS is an extension of the Economic Assistance Management System (TEAMS). If the family is using other forms of economic assistance, the information can be entered and utilized by appropriate workers other than CCR&R. The ability to share information across agencies reflects a major improvement in Montana's child care system.

In addition to the sliding fee scale services, families may receive assistance directly through some child care programs. For child care programs who receive start-up or expansion grants (in particular categories), fifty percent of the provider grant award directly serves children in the program by making scholarships available. Child care programs with scholarships available notify the CCR&R to assist in finding a recipient for the scholarship. On average in FY96, 779 children were served during each month on CCDBG direct service funds. Throughout the year, 874 families were served with CCDBG direct service funds.

In December 1996, the waiting list for CCDBG was 291 children. Concurrently, 172 children were on the waiting list for the At-Risk Program. These children would meet the criteria for CCDBG assistance as well, bringing the unmet demand up to 463 children at that time.<sup>8</sup>

When this report was prepared, the Lewistown CCR&R reported no waiting list, while the Billings CCR&R reported a combined waiting list of 169 children. It is difficult to estimate how

many families do not bother to secure a position on the waiting list when the odds are against a timely response. According to DPHHS staff, as of December 1996, funds were allocated through the CCDBG sliding fee scale carry over to serve additional CCDBG waiting list families. Additional funds were allocated for At Risk Child Care families from the CCDF.

## **B. Twelve Month Study of Child Care Regulation**

In 1992 as part of CCDBG requirements, Montana reviewed the rules and regulations governing child care programs. The Department of Public Health and Human Services issued a request for proposals and entered into a \$50,000 contract for two years with the Montana Child Care Association to conduct what became known as the "Twelve Month Study" of Montana Child Care Licensing, Administration and Payment System. The final report was completed in April 1993, following an intensive process.

Five regional committees were formed with representatives from CCR&R agencies, DPHHS family resource specialists, infant care providers, family home providers, group home providers, for profit child care centers, non profit child care centers, parents, health specialists, fire inspectors, community representatives, Montana Association for the Education of Young Children members, and Governor's Child Care Advisory Council members. Committees met locally to discuss the Administrative Rules of Montana which govern child care programs. There were four statewide meetings in which each region elected one member to participate. At these meetings, each delegate brought their group's recommendations and through a consensus process, final recommendations were developed.

The final report includes numerous recommendations which require rule changes to be processed through the DPHHS Legal Department. Departmental reorganization, legal issues, and questions about the review process have continually delayed progress on implementation. While some of the non-controversial recommendations have been implemented, many of the "Twelve Month Study" recommendations remain in the process of review by the DPHHS legal

unit. When completed, it will be published for public comment and follow the procedure for administrative rule changes in Montana. Given the length of time which has passed since the initial review, it is recommended that changes be considered which reflect recommendations made by the Early Care and Education Career Development Plan.

**C. The Child Care Resource & Referral Network: An Infrastructure for Montana's Child Care System**

At its inception, the CCR&R had five member programs, whose primary purpose was to assist parents in locating child care and provide training for child care providers. The expansion of child care resource and referral activities was funded in 1989 by the Montana Legislature through Montana House Bill 200. By 1992, utilizing funds from the federal Child Care Development Block Grant, along with other federal funds (i.e., Dependent Care funds), the Montana CCR&R Network had grown to 12 programs providing statewide services.

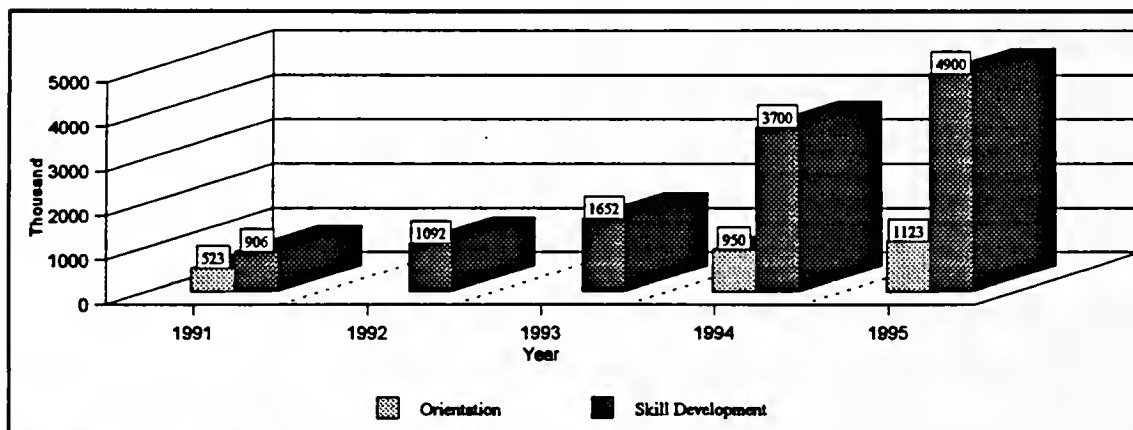
The Montana CCR&R Network now contracts with the DPHHS to provide registered and licensed child care provider recruitment, orientation, and training services in twelve regions statewide. The CCR&Rs also offer child care referrals and child care payment assistance to parents. CCR&Rs are housed in a variety of private non-profit settings including child care advocacy agencies, a Developmental Educational Assistance Program (DEAP), Human Resource Development Councils (HRDC), and a community telephone "Help Line" service. Several of the CCR&Rs are situated in Montana's urban areas, while others serve expansive rural areas. All CCR&R's serve multi-county areas of the state (Appendix D).

CCR&Rs play a dual role in Montana communities by educating parents about choosing quality child care, while training and supporting providers to supply it. Embracing the state's urban and rural diversity, the Montana CCR&R Network offers standardized parent referrals and provider training activities customized to meet individual community needs.

R&Rs also link between and child care, and link state assistance programs. CCR&Rs offer free-of-charge prescreened, enhanced referrals to low-income families seeking child care. Parents in education or job training programs are assisted in finding and paying for child care. Assistance is also available to parents earning low wages. Parents using state child care payment assistance programs receive pre-certified hours of child care with a registered, licensed, or legally operating provider.

Each CCR&R offers orientation training to newly registered family and group home providers, licensed center staff, and legally operating providers receiving state child care payment. New provider orientations include no less than 6 hours of training and are offered quarterly, or more frequently as needed. Between 1991 and 1995 the number of providers and staff participating in CCR&R sponsored programs has more than doubled for orientations from 523 providers in 1991 to 1,123 in 1995. Participation in trainings has grown more than 400% from 906 participants in 1991 to 4,900 in 1995. Table V provides additional detail.

**TABLE V**  
**Child Care Provider Participation in CCR&R Sponsored Orientation & Training**  
**1991-1995**



Orientation data is not available for 1992 and 1993



## **The Role of Child Care Resource and Referral in Welfare Reform**

The CCDBG quality initiative provide the CCR&Rs the resources to develop quality child care programs. Providing high quality care can assist in breaking the cycle of poverty. Studies have found that high quality care pays off in higher academic performance, lower delinquency and teenage pregnancy rates, better earning prospects and reduced placement in special education.

Resource and referral agencies can provide a vital link for FAIM clients by assisting parents in their search for reliable quality child care. These agencies can assist parents in choosing care by discussing child care options, providing up-to-date information on available openings, and supplying materials on choosing quality care. The search for child care is one of the first steps the client will need to take in the transition from welfare to work, for without child care they will not be able to successfully participate in training programs or employment. CCR&Rs can be the partner with the State and agencies working with FAIM clients to carry out the transition to self-sufficiency. It is necessary to take these steps to assure safe and quality child care, or money invested in welfare reform may not succeed in helping families achieve self-sufficiency.

### **D. Making Quality Improvements in Child Care**

While 25% of the CCDBG is aimed at improving the quality of child care, quality initiatives were included throughout the CCDBG plan. It is likely quality activities may be the most important investment of CCDBG funds in the long run. According to one study, every dollar spent to support a child's healthy early development saves eight dollars in future public human service costs. Indeed, the Montana Legislature is emphasizing prevention activities in the state budget. The DPHHS Early Childhood Services Unit, with guidance from the CCDBG Task Force, works to improve the early care and education of all young children in Montana. While helping families pay for child care is important, the quality of care makes a profound difference for children, families, and communities. Funds were allocated in several categories: grants to providers to expand services and meet state standards; provider loans; merit pay awards; specialized training grants and resource libraries. The following provides a brief overview of each category.

### **1) Provider Grants**

In an effort to address unmet child care needs and improve program quality, child care programs were invited to apply for a grant from CCDBG funds. Grantees received scholarship funds to serve low-income infants, children with disabilities, and/or communities in need. The grants were designed to increase the number of low-income children served in an existing program, improve the quality of services and start new services where there was a lack of programs. Grants were also targeted for school age programs and to assist programs in meeting state regulations. All grant funds were awarded on a competitive basis.

### **2) Provider Loans**

Under the process of contracting with child care programs to start-up or expand their services, some programs did not complete their plans. The CCDBG Task Force chose to allocate the unused funds to establish a small loan program within the CCR&R Network. Child care providers starting-up or expanding their programs may apply for a small loan with their local CCR&R agency. Again, the program is designed to ameliorate the cost of barriers to regulation such as insurance premiums, fire prevention equipment, child care equipment and other compliance improvements.

### **3) Merit Pay Awards**

After caring for their own children and family commitments, a survey of child care providers conducted in May 1992, indicated barriers to participating in professional development activities. These additional barriers include finding substitute care, the cost of training, and the distance from educational opportunities.<sup>9</sup> Montana created an innovative approach to assisting providers in overcoming those barriers. The Merit Pay Award, funded by the CCDBG, provided an incentive to registered and licensed child care providers by offering a \$250 cash award to those who complete a pre-approved professional training schedule throughout the year. The cash award helped to reimburse the provider for costs of finding substitute care, travel, and course fees. Approximately 140 child care providers participated each year, allowing the benefits of better training to reach individuals and communities in all parts of the state. A 1996 survey of Merit Pay

recipients indicated the following: 1) improved their interaction with children; 2) enhanced business skills; 3) increased professionalism; 4) increased their ability to stay in the child care field; 5) encouraged them to pursue higher levels of education; and 6) improved the quality of their child care program. Approximately 560 practitioners participated in the Merit Pay program between 1990-1996. An additional 207 providers were awarded Merit Pay for FY97.

#### **4) Specialized Training Grants to Improve Quality**

In an effort to address the availability of training and make it accessible to providers, Specialized Training Grants were awarded each year to encourage training opportunities for child care providers across the state. Annual selection of proposals allowed flexibility in responding to a variety of training needs. Child care providers in rural areas benefit when training programs are offered closer to home, since many remote communities offer little in the form of educational opportunities for child care providers. Specialized training awards combined for 1995 and 1996 amounted to \$108,250 CCDBG funds with in-kind or direct match of \$303,083. Special projects receiving CCDBG funds have been matched with business and foundation funds. A total of 76 projects were funded between 1990-1996. An additional twelve projects were funded for FY97.

In 1993, the ECP conducted a review of the Specialized Training Grants and Provider Merit Pay Awards in cooperation with a sub-committee of the CCDBG Task Force. Several recommendations were made to improve the use of these funds largely related to the need for a coordinated system. The Montana Early Care and Education Career Development Task Force and subsequent state plan grew out of this effort.

#### **5) Resource Libraries at CCR&R's**

During the first year, CCDBG funds were used to develop resource lending libraries at the CCR&Rs around the state. Equipment and materials were made available on a short term check-out basis to child care providers. Some CCR&R programs adjusted their hours and arranged for delivery services to maximize accessibility to child care providers. During subsequent years, CCR&Rs could apply for resource library funds as part of Specialized Training grant requests.

### **E. Improving Provider Compensation: Using Market Based Payments**

Federal Title IV-A child care assistance regulations mandated the state adopt a payment structure based on the actual cost of care or the 75th percentile of child care market rates. Montana chose to use the 75th percentile for all child care assistance programs, including the CCDBG, ensuring that we met equal access requirements of block grants. Prior to the Title IV-A requirements, state child care payment rates were estimated by making projections. Beginning in 1990, Montana used CCDBG administrative funds in conjunction with Title IV-A funds to conduct a market rate survey every other year, providing solid data for policy makers in establishing state payments rates.

Currently, the MACCS computer system generates a market rate report on a regular basis. Provider rate information is collected from child care programs prior to the issuance of state payments. Child care payment rates are approved by the state legislature every two years. While the use of the 75th percentile has helped raise state payment rates and thus improve provider compensation, the CCDF should continue to use this as a basis for payments while exploring additional options for increasing provider and staff compensation for programs meeting higher standards of quality.

### **F. Administration and Grant Management**

In 1990 DPHHS (then DFS) was identified as the lead agency for the CCDBG. Administrative funds were used to support a State Child Care Officer and support staff responsible for coordinating CCDBG child care programs and administering funds. Of the total annual CCDBG budget, DPHHS uses only 6.6% to support their actual on-going administrative costs. The administration is to be commended for the prudent use of these funds. The Department has also elected to use the remainder of administrative funds for developing the MACCS computer system and for special projects recommended by the CCDBG Task Force, such as the "What Every Child Needs" consumer education campaign.

The administrative structure of DPHHS provides indirect lines of communication and authority between the Child Care Officer and the Family Resource Specialists in the field. This has reduced the effectiveness of coordination efforts. A performance audit, conducted by the Legislative Audit Division was completed in December 1995. As indicated in the *Child Care Certification and Monitoring Legislative Performance Audit Report*, "it is imperative management define the exact nature of functional authority for child care and spell out the delegation of this authority to staff. Centralized authority over policies and procedures is needed to ensure consistency in major practices at the regional level. Functional authority should at the same time be carefully restricted so regional administrators can still effectively direct operations."<sup>10</sup>

According to the Legislative Audit Report, DPHHS operates as a partially decentralized organization.<sup>11</sup> The extent of the functional authority of the central office is not clearly defined, thus regional staff do not understand their overall authority. Staff are often unaware of who is ultimately responsible for providing necessary direction. The lack of clarity for functional authority is creating confusion and inconsistencies at the state and regional offices. Individual responsibility and authority needs to be defined and explained to all staff. Currently a child care committee, supported with CCDBG administrative funding, is reviewing concerns identified in the audit report and preparing recommendations to facilitate consistent and improved practices statewide.

### **1) DPHHS Family Resource Specialists and Staff**

The Department of Public Health and Human Services annually budgets \$166,818 of CCDBG funds for the salaries of five Family Resource Specialists to license and monitor child care facilities. State general fund dollars pay for 4.2 FTE for child care and other types of out-of-home care, bringing the total to 9.2 Family Resource Specialists across the state. As the workload continues to rise and capacity increases to meet the demand for child care, Family Resource Specialists now average 212 programs per FTE. State officials are asking the 1997 Legislature for five additional FTE to keep pace with the increasing workload. It is recommended

that an additional ten FTE be funded from state and other sources bringing the total Family Resource Specialist specifically for child care regulation to 15.

## **2) Governors Child Care Advisory Council**

In 1989, House Bill 200 established the Governor's Child Care Advisory Council (GCCAC) consisting of parents, child care providers, business, representatives of state agencies involved in child care, and other citizens. The same legislation required the state to develop a state child care plan. The GCCAC was charged with formulating a statewide child care plan and advising the department on all child care matters. CCDBG funds have supported the Council in developing a state child care plan and in providing continuous guidance to the department and the Governor. The GCCAC also sponsored two statewide child care forums, bringing together child care groups and forming a common voice on issues such as reorganization and legislation in September 1995 and March 1996.

## **3) Montana Automated Child Care System**

The department developed the Montana Automated Child Care System (MACCS) using \$45,000 per year of CCDBG administration funds for two years with a match from Title IV-A funds. The computerized child care payment system interfaces with other state systems to track recipients of child care assistance, child care providers and process payments. The system replaces a manual process which had involved collecting vouchers at the CCR&R, final authorization at the former Department of Family Services and cutting checks at the former Department of Social and Rehabilitation Services. While the implementation was painful and challenging, all child care payments are now processed with the MACCS computer system and are done successfully with minimal problems. The state is to be commended for the wise use of the funds to support the development of this system and is encouraged to provide on-going technical assistance to obtain maximum efficiency.

## G. Special Projects

In addition to the specified categories, DPHHS chose to follow recommendations of the CCDBG Task Force and to provide support for a number of special projects, including a statewide public education campaign, two telecommunications home study programs and an early care and education career development planning process.

### 1) Telecommunications Home Study Programs

In 1994, the *Infant Toddler Caregiver Home Study Program* was made possible through collaborative funding from a variety of public and private sources, including a \$5,900 CCDBG Specialized Training Grant to help support the program. Matching funds from the W. K. Kellogg Foundation provided salary support for the ECP Director, secretarial support, and assistance with basic operational costs. A \$20,000 grant from the US WEST Foundation, \$5,000 from the Child and Adult Food Care Program, \$3,750 from Lost Arrow/Patagonia and support from Montana Public Television allowed for a statewide program with more than 371 participants which included purchasing tapes and program materials for each CCR&R regional office. In 1995, DPHHS provided an additional \$12,000 to support 12 CCR&Rs trainers to participate in a regional training program and return to their communities in Montana to offer the training to infant and toddler caregivers. An additional 151 providers participated in the second round of training. This initial investment continues to benefit children as CCR&Rs continue to offer the training in their area.

In 1995, the *Raising America's Children* televised home study program, with an enrollment of 393 participants, demonstrated again that televised home study programs can reach a large audience across the state with information to help improve educational practices in programs caring for young children. A total of 311 participants completed the program assignments and utilized the study guide. The state invested \$8,995 through a CCDBG specialized training grant to support the program at a cost of \$28.92 per participant known to complete the program. These two home-study televised courses were a cost effective investment in training. The state is

encouraged to continue to support telecommunication training programs to assure access for all providers.

## **2) Early Care and Education Career Development Plan**

In 1995 DPHHS and the CCDBG Task Force asked the Montana Early Childhood Project at MSU to coordinate a statewide planning effort to develop an early care and education career development and training system for Montana. To assure representation of all stakeholders, the ECP convened a Career Development Task Force in October 1995, with representatives from the Montana Child Care Association ( including family, group and center-based providers); the Montana Association for the Education of Young Children; the Montana Head Start Association; Office of Public Instruction, Department of Public Health and Human Services (including both child care and developmental disabilities); higher education institutions including community colleges, 4 year, and tribal colleges; and each of the twelve child care resource and referral programs.

The first meeting of the Task Force took place in October 1995 with more than 35 people in attendance. Andrea Genser, Executive Director of the Center for Career Development in Early Care and Education at Wheelock College, facilitated and continues to provide ongoing technical assistance to the Task Force and the ECP. Key issues and action steps were identified along with a process for involving early childhood practitioners and others around the state. Regional committees met from November through March 1995 to discuss and provide feedback on the development of the state plan. The Task Force convened in January 1996 via METNET and met in May 1996 again for final work on the goals and recommendations outlined in the plan and development of strategies for the second year. The work outlined in the state plan continues and will potentially impact services to children and families by improving education and training for early childhood practitioners in Montana by developing a coordinated system of training, adopting a common core of knowledge and career path. A total of \$23,000 of CCDBG funding was allocated to support this effort with supplemental funds from the W. K. Kellogg Foundation. An



additional \$7,800 from the CCDBG Specialized Training grant for FY97 supports second year activities.

The state plan for early care and education career development is based upon:

- ▶ the need for a core knowledge base and career path;
- ▶ quality standards for education and training;
- ▶ recognition of diversity of providers and families they serve;
- ▶ improved regulations and compensation; and
- ▶ a coordinated system of professional development, accessible to early childhood practitioners across the state.

### **3) What Every Child Needs Public Education Campaign**

The Montana Early Childhood Project was awarded \$75,000 from the CCDBG through DPHHS in 1995 to coordinate a statewide public education campaign about the importance of the early years of childhood. During the fall of 1995, Campaign packets, publicity materials and recruitment of additional contributors for the Campaign were developed and secured. The multimedia campaign was launched in January 1996 and ran through July 1996. The messages for the Campaign included:

- \* Every child needs a parent who is involved in the child's life.
- \* Every child needs parents and caregivers who recognize a child's specialness.
- \* Every child needs playtime.
- \* Every child needs parents who learn what to expect at different ages and stages.
- \* Every child needs parents who choose high quality care and education.

The Campaign revolved around a prevention theme, "Put Kids on Hold and They Get Disconnected." The theme steered Montanan's to "Find Out What Every Child Needs." Five "What Every Child Needs" messages were incorporated into all the publicity materials developed for the Campaign. The ECP staffed an 800 telephone line and sent each caller a Campaign brochure, refrigerator magnet, the name and number of the caller's Regional Coordinator located at the R&R, who had local child and family resource listings available, and provided telephone consultation when appropriate. More than 20,000 brochures and magnets were disseminated throughout the Campaign.

Partner organizations distributed Campaign materials and participated in statewide and/or local publicity efforts. Partner organizations included: Head Start, Office of Public Instruction, MSU Extension Service, MSU-Extended Studies, DPHHS, US WEST, Montana Council for Families , Healthy Mothers, Healthy Babies-The Montana Coalition, Montana Power Company, Montana Child and Adult Care Food Program, the Montana Association for the Education of Young Children, and the Montana Child Care Association. Public service announcements were done by Governor Racicot, Senators Burns and Baucus, Representative Williams, and Office of Public Instruction Superintendent Nancy Keenan to show their support.

It may be difficult to fully evaluate the impact of this public education effort. The \$75,000 initial investment of the CCDBG yielded more than \$143,504 in actual matching funds, not including the hours of time donated by numerous individuals and the many Campaign partners who worked on the project. The Campaign was a success in that thousands of individuals were exposed to the messages about the importance of the early years and why children cannot be “put on hold.” One impact may have been that the Joint Oversight Committee on Children and Families selected child care as one of the top three issues and have recommended specific legislative actions to address child care needs.

## **V. BUDGET NARRATIVE AND EXPENDITURES**

### **A. Five Year Summary of CCDBG Expenditures**

As stated in the introduction, a number of challenges were faced in preparing this report. These included a lack of computerized data systems during the first few years, carry over funds from unspent dollars during the start-up phase, conflicting fiscal years, and a turnover of state staff. During 1996 significant improvements in budgeting and reporting occurred. The purpose of this section is to provide a brief overview of CCDBG expenditures for the five year period 1990-1996. A five year CCDBG budget overview is provided in Table VI. The total grant amount varied from year to year due to the fact that total allocations to the state were based on a formula which includes the federal poverty index creating annual changes in the number of eligible families.

The broad categories of expenditures, shown in boxes, were determined by a percentage of the total grant as required in the federal legislation. Each year line items were adjusted to reflect input from the CCDBG Task Force and planning strategies. For example, early in the five year period, funds were used to increase child care payment rates (1992-93), study state regulations (1992-93), and develop resource libraries at Child Care Resource and Referral Agencies (1992). In later years, funds were used for additional Family Resource Specialists (1994-96) and to help child care programs meet state standards (1994-96).

Again, it should be mentioned the figures indicated are **budget amounts, not actual spending**. Some funds were rolled into the following years as allowed by the CCDBG. The CCDBG Task Force monitored the carry over funds and made recommendations in reallocating the funds consistent with the intention of the CCDBG.

**TABLE VI**  
**Child Care and Development Block Grant Funds**  
**Five Year Summary in Federal Fiscal Years**

	<b>FY92</b>	<b>FY93</b>	<b>FY94</b>	<b>FY95</b>	<b>FY96</b>
<b>TOTAL GRANT</b>	<b>2,532,376</b>	<b>2,780,167</b>	<b>2,943,513</b>	<b>2,935,959</b>	<b>3,073,670</b>
FY Change in Dollar Amount		247,791	163,346	(7,554)	137,711
FY Change in Percentage		109.78%	105.88%	99.74%	104.69%
(A1) 85% of 75% for Services for Children	1,614,390	1,772,356	1,876,490	1,871,674	1,959,465
(A2) 15% of 75% for Quality, Avail. & Admin.	284,892	312,769	331,145	330,295	345,788
<b>(A) 75% of Total Grant</b>	<b>1,899,282</b>	<b>2,085,125</b>	<b>2,207,635</b>	<b>2,201,969</b>	<b>2,305,253</b>
(A1-a) Slots for Sliding Fee Scale Services	1,066,831	1,159,467	1,526,490	1,595,460	1,764,066
(A1-b) Start-up/Expansion, Providers	350,000	350,000	350,000	276,214	195,399
<u>Rate Increase for Services to Children</u>	<u>197,559</u>	<u>262,889</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>(A1) Total Services to Children/Families</b>	<b>1,614,390</b>	<b>1,772,356</b>	<b>1,876,490</b>	<b>1,871,674</b>	<b>1,959,465</b>
(A2-a) DPHHS Administration Cost (Staff)	129,407	143,345	148,886	148,886	163,529
(A2-b) Monitoring/Licensing (FRS)	0	0	37,835	37,835	37,835
(A2-c) Child Care Program Officer	40,000	40,000	40,000	40,000	40,000
(A2-d) R&R Admin. For Sliding Fee Scale	55,485	69,424	69,424	69,424	69,424
(A2-e) Merit Pay Awards for Providers	25,000	35,000	35,000	35,000	35,000
Plan Development	10,000	0	0	0	0
<u>Study State Regulations (12 Month Study)</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>(A2) Total Quality, Availability &amp; Admin.</b>	<b>284,892</b>	<b>312,769</b>	<b>331,145</b>	<b>330,295</b>	<b>345,788</b>
(B1) 18.75% for Dev. & School Age Care	474,820	521,281	551,909	550,492	576,313
(B2) 6.25% for Quality Improvement, (R&R)	158,274	173,761	183,969	183,498	192,104
<b>(B) 25% of the Total Grant</b>	<b>633,094</b>	<b>695,042</b>	<b>735,878</b>	<b>733,990</b>	<b>768,417</b>
(B1-a) Meet State Standards, Providers	0	0	25,000	28,669	58,135
(B1-b) Start/Expand School Age, Providers	159,903	183,133	158,133	104,534	76,638
(B1-c) Monitoring/Licensing (FRS)	0	0	79,128	128,983	128,983
(B1-d) Develop/Expand Services, (R&R)	196,612	219,843	171,343	171,343	171,343
(B1-e) Specialize Training Grants	67,364	118,305	118,305	116,963	141,214
<u>Resource Libraries, R&amp;Rs</u>	<u>50,941</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>(B1) Total School Age Care</b>	<b>474,820</b>	<b>521,281</b>	<b>551,909</b>	<b>550,492</b>	<b>576,313</b>
(B2-a) R&R Expansion/Operation	124,388	132,131	142,897	142,426	142,426
(B2-b) R&R Network Coordinator	33,886	41,630	41,072	41,072	49,678
<b>(B2) Total Quality &amp; Improvement Activities</b>	<b>158,274</b>	<b>173,761</b>	<b>183,969</b>	<b>183,498</b>	<b>192,104</b>

**B. FY 1995 Budget Detail Illustration**

In order to illustrate the CCDBG in a more detailed fashion the FY95 budget detail is included in Table VII. The broadest categories of funding are designated as a percentage of the total grant for (A) providing direct services, the administration of the certificate program and activities to improve the availability and quality of child care; and (B) establishing, expanding, and conducting early childhood development and before- and after-school care, as required in the federal legislation.

Under Section A1, families access assistance 1) by contacting the Child Care Resource and Referral agency for assistance (Sliding Fee Scale, Appendix A) or; 2) by locating a child care program offering scholarships from their CCDBG start-up/expansion grant. Under both methods, families must qualify by income level and household size. Child care assistance is paid according to the state rate for child care services.

At this point, it may be useful to note the total amount budgeted for grants to child care providers in various categories includes the scholarship portion of A1-a, A1-b, B1-a and, B1-b totaling \$517,839. Section A2 covers costs, services provided through Child Care Resource and Referral Agencies, a portion of the Family Resource Specialist FTEs and the Merit Pay program.

Section B-1 details provider grants and contracts, a portion of the Family Resource Specialist FTEs, contract with Child Care Resource and Referrals to develop or expand early childhood services and, specialized training grants.

Quality improvement activities include funding for expansion and operation of the 12 Child Care Resource and Referral agencies and a network coordinator.

**TABLE VII  
FY95 CCDBG Budget Detail**

**FY95 MONTANA CHILD CARE AND DEVELOPMENT BLOCK GRANT (CCDBG) BUDGET:**

(A) 75% [\$2,305,252] of the total CCDBG FY95 funding; Provision of Direct Services, Administration of the Certificate Program and Activities to Improve the Availability and Quality of Child Care.

(A1): (\$1,959,465) is 85% of the 75% is for child care services to Block Grant eligible children/families

• (A2): (\$345,788) is 15% of the 75% is for activities for improving day care availability and quality and for program administration

**(A1) \$1959,465: FOR CHILD CARE SERVICES TO BLOCK GRANT CHILDREN/FAMILIES**

(A1-a): Certificates—allotted slots for sliding fee scale day care services

- under this category, DPHHS allocates slots, based upon total amount of dollars available, to assist families who are income eligible. See attachment A for breakout by R&R district.

(\$1,764,066)

a) sliding fee scale= \$1,576,398.00

b) scholarship funds=\$ 187,667.00

\$1,764,066.00 TOTAL

(A1-b): Grants to providers (infants, disabilities, community need)—not including scholarship funds

(\$ 195,399)

**(A1) TOTAL=\$1,959,465.00**

**(A2) \$345,788: FOR ACTIVITIES (a) FOR IMPROVING DAY CARE AVAILABILITY AND QUALITY, and (b) FOR ADMINISTRATION**

(A2-a): DPHHS Administrative Costs

(\$163,529.00)

- agency costs for implementing and managing the CCDBG program. This includes (but is not limited to) costs for:

- (1) forms, staff travel and per diem, printing, phone, equipment, secretarial support, consultant and professional fees, legal advertising, motor pool charges, meeting room costs, rent, professional dues, education/training fees;
- (2) GCCAC and CCDBGTF Travel, and per diem;
- (3) MACCS costs—monthly fees and payment management costs for R&R's.

(A2-b): Funds for monitoring/licensing day care providers

\*\*(\$37,835.00)

- These funds are used in conjunction with funds designated in (B1-c), to pay costs for 5.0 FTE within 5 regions. These 5.0 FTE are 100% dedicated to day care regulatory activities.

.5 FTE in Eastern Region (Miles City is regional office)

.5 FTE in North Central Region (Great Falls is regional office)

1.0 FTE in South Central Region (Billings is regional office)

1.5 FTE in South West Region (Helena is regional office)

1.5 FTE in Western Region (Missoula is regional office)

5.0 FTE TOTAL

(A2-c): Certificate Program—DFS Day Care Program Officer

(\$40,000.00)

- Salary and benefits for position 5031 (Becky F-S)

(A2-d): Certificate Program—Contracts with R&R's for

administration of sliding fee scale program

(\$69,424.00)

- R&R staff costs for determining eligibility, parent education, referral and certification for services. It also includes any other costs necessary for proper case management.

(A2-e): Merit Pay Awards for day care providers

(\$35,000.00)

- These funds are used as an incentive to providers to receive additional early childhood training. Participants who apply for and are approved, can receive \$250.00 upon completion of 60 hours of early childhood training. These funds can pay awards for up to 140 people.

**(A-2) TOTAL: \$345,788**

Table VII (continued)

**(B) 25% [\$768,417] of the Total CCDBG FY95 Funds: Activities to Establish, Expand and Conduct Early Childhood Development and Before-and-After School Care.**

- (B1): 75% of the 25% (or 18.75% of the total grant) is for (a) early childhood development and (b) before-and-after school activities;  
 (B2) 25% of the 25% (or 6.25% of the total grant) is for quality and improvement activities.

**(B1): (\$576,313) FOR EARLY CHILDHOOD DEVELOPMENT AND BEFORE-AND-AFTER SCHOOL CARE**

- (B1-a): Contracts with Providers—assistance to meet standards (\$58,135.00)  
 • funds are awarded on a competitive basis to assist providers in meeting regulations. Examples of this can include: fencing, fire extinguishers, sanitation devices, smoke alarms, etc.
- (B1-b): Contracts with Providers—start up or expand school-age child care (\$76,638.00)  
 • funds are awarded on a competitive basis to assist providers in meeting the needs of school aged children—these funds provide assistance in start up costs or costs to expand current program to serve SAC children.
- (B1-c): Monitoring and Licensing of day care Providers (\$128,983.00)\*\*  
 • these funds in combination with (A2-b) provide for 5.0 FTE solely responsible for licensing/registration activities for day care facilities.
- (B1-d): Contracts with R&R's to develop or expand early childhood services (\$171,343.00)  
 • with these funds, R&R's provide technical assistance to parents and providers, orientation training, recruitment efforts, and some training concerning initial start up issues, preparatory on-site visits for providers just in the beginning stages (registration and business start up), parent education.
- (B1-e): Grants for specialized training to professionals to support the development of early childhood and school-aged child care programs (\$141,214.00)  
 • competitive grants are given to organizations for community based training;  
 • funds are given to R&R's to promote skill development training and support training activities under (B1-d).
- (B1) TOTAL=\$576,313.00**

**(B2): \$192,104 FOR QUALITY AND IMPROVEMENT ACTIVITIES**

- (B2-a): Contracts for expansion/operation of R&R's (\$142,426.00)  
 • originally, these funds were used for the establishment, expansion and implementation of the now 12 R&R agencies—which supply statewide coverage.  
 • now that the 12 agencies are established, these funds provide continuing support for operations of the agencies. These funds also provide support to staff who determine eligibility, authorize payments, conduct referral services and parent education activities. These funds are part of the agencies operating budget.
- (B2-b): R&R Network Coordinator (Training/Technical Assistance) (\$49,678.00)  
 • these funds provide for a person to supply training and technical assistance—in conjunction with State day care staff—to the 12 R&R agencies. This training and TA is essential in order to have standardized practices.

**(B2) TOTAL=\$192,104.00**

**TOTAL FY95 FUNDS CCDBG BUDGET: (A) + (B) = \$3,073,670.00**

## ENDNOTES

1. *Improving Child Care in Rural Areas: Promising Practices and Strategies*, United States Department of Health and Human Services Child Care Division, December 1994
2. *Analysis of Montana's Child Care System (Revised)*, Legislative Services Division, State Capitol, September 1996, pg. 27
3. *Montana Child Care Resource and Referral Network 1995 Annual Report*, pg. 5
4. Ibid
5. *Analysis of Montana's Child Care System (Revised)*, Legislative Services Division, State Capitol, September 1996, pg.27
6. *The Elements of Quality in Child Care*, Gwen Morgan, Wheelock College
7. Gormley, William T. *Everybody's Children*, Washington D.C: The Brookings Institution, 1995, pp. 1-14
8. Department of Public Health & Human Services *Montana Automated Child Care System Report*, December 1996
9. Bailey, Sandra. *Training Needs of Family Day Care Providers in Montana*, May 1993
10. *Child Care Certification & Monitoring*, Family Services Program DPHHS, Legislative Audit Division, 95P-03, December 1995
11. Ibid



**Early Care and Education Acronyms and Definitions**

ARCC	At-Risk Child Care
CAPS	Child and Adult Protective Services computer system
CCDBG	Child Care and Development Block Grant, federally funded from 1990-1996
CCDBGTF	Child Care and Development Block Grant Task Force
CCDF	Child Care Development Fund is the new child care program which includes state and federal funds
CCAC	Child Care Advisory Council
CCR&R	Child Care Resource and Referral agency
CDA	Child Development Associate credential, nationally recognized credential program for early childhood practitioners
CPS	Child Protective Services, Department of Public Health and Human Services
DFS	Department of Family Services, now part of DPHHS
DPHHS	Department of Public Health and Human Services
ECP	Montana Early Childhood Project, located at MSU-Bozeman
FAIM	Family Achieving Independence in Montana
FRS	Family Resource Specialist
FTE	Full Time Equivalent
GCCAC	Governor's Child Care Advisory Council
Head Start	Federally funded early childhood program for low-income children and families
JOCCF	Joint Oversight Committee on Children and Families
MABC	Montana Alliance for Better Child Care, an advocacy organization no longer active
MACCS	Montana Automated Child Care System a computer system for processing child care assistance payments
MAEYC	Montana Association for the Education of Young Children
MCCA	Montana Child Care Association
SRS	Department of Social and Rehabilitation Services, now part of DPHHS
TCC	Transitional Child Care
TEAMS	The Economic Assistance Management (computer) System
Title IV-A	Aid to Families with Dependent Children (ended 9/31/96)

## **TYPES OF CHILD CARE AND EDUCATION IN MONTANA**

by Libby Hancock Mack, Early Childhood Project

*There are many different types of child care arrangements. In Montana these include licensed child care centers and registered family day care homes and group homes. Other arrangements include private homes caring for two or fewer children, private arrangements made by parents in their own homes and preschool or part-day programs. Some preschoolers with special needs participate in public school preschools. Care is often provided by family members, an older sibling or in unlicensed/unregistered facilities. The Montana Department of Public Health and Human Services (DPHHS) is responsible for regulating child care facilities in the state. The various types of settings offer different advantages for families.*

**Child Care Centers.** A child care center is a place where supplemental parental care is provided to 13 or more children on a regular basis. DPHHS licenses child care centers which means a more involved process of meeting and verifying standards. There are 251 licensed child care centers in Montana with a total licensed capacity of 9053 children (November 1995). They are inspected annually by the state fire marshal, county health department and a DPHHS family resource specialist. Child care center staffing regulations require the following child / staff ratios: 0-24 months / 4:1; 2-4 years / 8:1; 4-6 years / 10:1; 6 years + / 14:1.

**Family Day Care Homes.** Family day care homes are private homes that may care for a maximum of six children (including the provider's own children under age 6) at any one time. Three of the children may be under 2 years of age. Family day care homes are registered by DPHHS. There are 1,450 family day care homes in Montana with a capacity to serve 7,567 children (November 1995). Family day care homes are monitored by a 20 percent random sampling yearly. This means about 286 family child care homes are visited by a family resource specialist each year. Some homes may never receive a visit.

**Group Day Care Homes.** Group day care homes are registered by DPHHS and may care for from 6 - 12 children with six under the age of 2 (including the provider's own children under age 6). Two adults must be present at all times. There are 605 registered group day care homes in Montana with a capacity for 6,790 children (November 1995). Again, only 20 percent of all group day care homes are visited in any one year. Group homes operate out of private residences in which the provider lives or in

homes or other facilities capable of accommodating no more than 12 children.

**Preschools.** At this time preschools or part-day programs for young children are not regulated in the state of Montana. In 1988 it was conservatively estimated that there were about 130 preschools in Montana serving approximately 5,000 children. Unsuccessful measures to require preschools to meet minimum fire, health and safety standards similar to child care centers and homes have been initiated since 1985.

More than 30 states include preschools in their licensing process. There are current recommendations to regulate preschool programs. Head Start preschool programs follow comprehensive requirements for standards because they are federally funded programs.

**Legally Unregistered Providers.** These providers may care for one or two children on a regular basis including the provider's own child under the age of two.

**Private Arrangements in Parents' Own Home.** Families often seek caregivers to come into their home to care for their children. The family is responsible for screening the caregiver. This type of care can be expensive and by law, families must pay minimum wage to individuals working in their home on a regular basis for more than 20 hours per week unless they also provide room and board.

**Other Arrangements.** Informal arrangements exist in unknown numbers and include neighbors, relatives, and drop-in care facilities which are unregulated by DPHHS (i.e., health clubs, ski areas, etc.).

### **QUALIFICATIONS & TRAINING REQUIREMENTS FOR PROVIDERS IN MONTANA**

A family day care provider must be 18 and must attend a basic orientation class within the first 60 days of registration.

Center directors must have an associate degree in a related field plus one year experience in child care, or a child development associate (CDA) degree, or three years experience in child care. If the director also acts as caregiver, she must meet the qualifications of a primary caregiver.

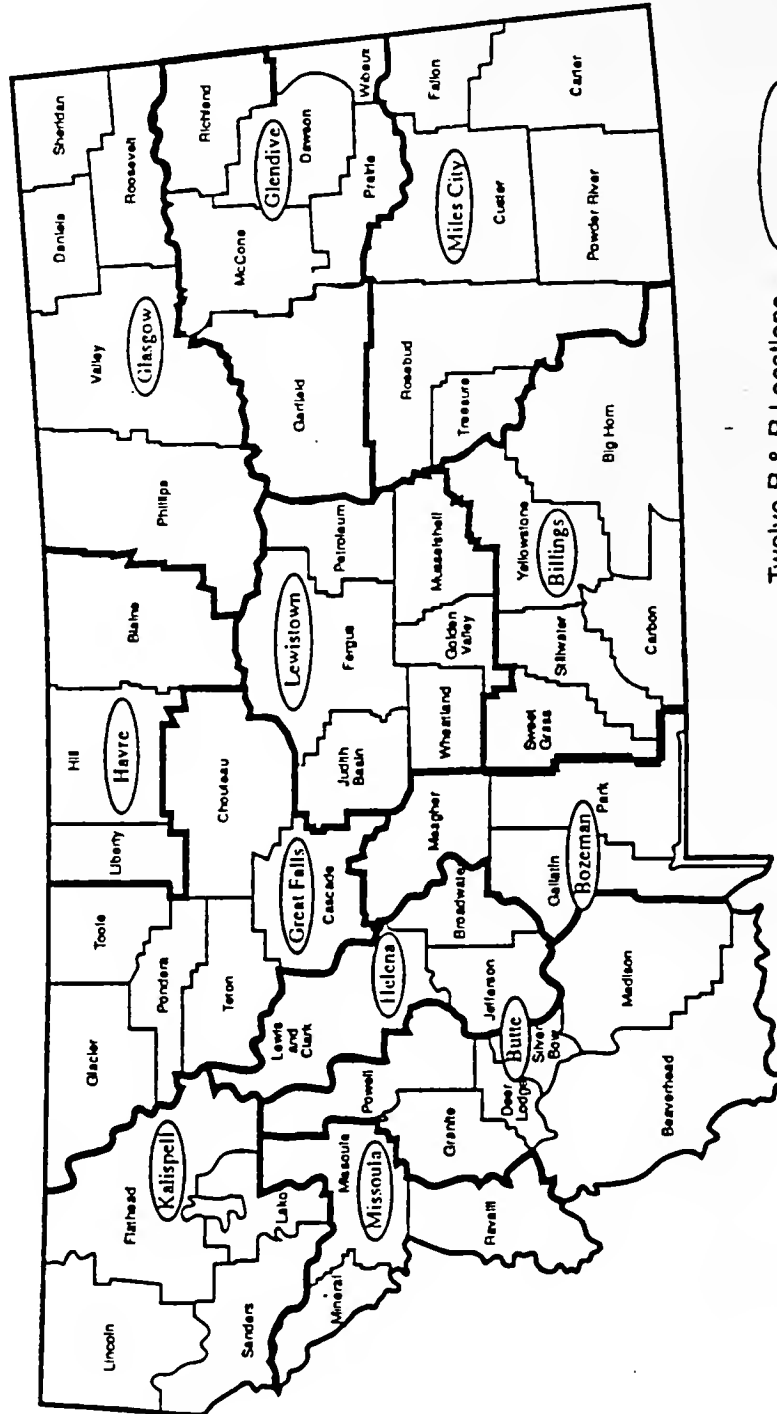
A primary caregiver must be at least 18, have two years experience as a registered day care home provider or a licensed day care center staff person or a bachelor of arts in education or a related field and be trained in CPR or first aid. The primary caregiver must also meet the qualifications for a day care center aide.

The aide qualifications include sufficient language skills, good mental and physical health; one day on-the job orientation, eight hours training within the first year in five different areas of child care (child development, appropriate discipline, first aid, nutrition / sanitation, and fire safety).

## 133% of Poverty Sliding Fee Scale 1996

FAMILY SIZE	GROSS MONTHLY INCOME	CO-PAYMENT (1 CHILD)	CO-PAYMENT (2 CHILDREN)
2	0 - 700	7	
	701 - 800	16	
	801 - 900	27	
	901 - 1000	40	
	1001 - 1148	57	
	1149 - INELIGIBLE		
3	0 - 900	9	14
	901 - 1000	20	25
	1001 - 1100	33	39
	1101 - 1200	48	54
	1201 - 1300	65	72
	1301 - 1439	86	94
	1440 - INELIGIBLE		
4	0 - 1100	11	17
	1101 - 1200	24	30
	1201 - 1300	39	46
	1301 - 1400	56	63
	1401 - 1500	75	83
	1501 - 1600	96	104
	1601 - 1729	121	130
	1730 - INELIGIBLE		
5	0 - 1300	13	20
	1301 - 1400	28	35
	1401 - 1500	45	53
	1501 - 1600	64	72
	1601 - 1700	85	94
	1701 - 1800	108	117
	1801 - 1900	133	142
	1901 - 2019	162	172
	2020 - INELIGIBLE		
6	0 - 1500	15	23
	1501 - 1600	32	40
	1601 - 1700	51	60
	1701 - 1800	72	81
	1801 - 1900	95	105
	1901 - 2000	120	130
	2001 - 2100	147	158
	2101 - 2200	176	187
	2201 - 2310	208	219
	2311 - INELIGIBLE		
7+	0 - 1700	17	26
	1701 - 1800	36	45
	1801 - 1900	57	67
	1901 - 2000	80	90
	2001 - 2100	105	116
	2101 - 2200	132	143
	2201 - 2300	161	173
	2301 - 2400	192	204
	2401 - 2500	225	238
	2501 - 2600	260	273
	2601 - INELIGIBLE		

# Montana Child Care Resource & Referral Locations Department of Family Public Health & Human Services Regions



Twelve R & R Locations = ○



